



**Request for City Council Committee Action  
From the City Attorney's Office**

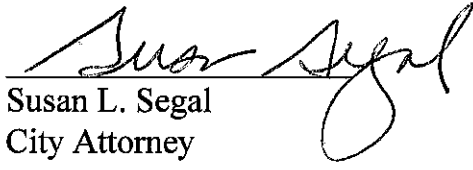
Date: June 18, 2012  
To: Ways & Means/Budget Committee  
Referral to:

**Subject:** The Travelers Casualty Insurance Company of America v. City of Minneapolis

**Recommendation:** That the City Council approve the settlement of this case by payment of \$47,500.00 payable to The Travelers Casualty Insurance Company of America, from Fund/Org. 06900-1500100-145690 and authorize the City Attorney's Office to execute any documents necessary to effectuate settlement.

**Previous Directives:** None

Prepared by: Thomas J. Miller Phone: (612) 673-2897

Approved by:   
Susan L. Segal  
City Attorney

Presenter in Committee: Susan L. Segal, City Attorney

**Financial Impact:**(Check those that apply)

- ☐ No financial impact (If checked, go directly to Background/Supporting Information).
- ☐ Action requires an appropriation increase to the \_\_\_\_\_ Capital Budget or \_\_\_\_\_ Operating Budget.
- ☐ Action provides increased revenue for appropriation increase.
- ☐ Action requires use of contingency or reserves.
- ☐ Business Plan: \_\_\_\_\_ Action is within the plan. \_\_\_\_\_ Action requires a change to plan.
- ☒ Other financial impact (Explain): \$47,500.00 from Fund/Org. 06900-1500100-145690
- ☐ Request provided to department's finance contact when provided to the Committee Coordinator.

**Community Impact:** Other

**Background/Supporting Information:**

On February 11, 2011, a City water main ruptured on Lowry Avenue between Second and Third Street Northeast. The street in that area buckled releasing water into the basements of some homes and businesses. The claimant, The Travelers Casualty Insurance Company of America, insures Mourados Liquors located at 2426 2<sup>nd</sup> Street Northeast. The building was flooded in the basement and first floor area. The Travelers Casualty Insurance Company paid their insured \$69,515.93 for the claimed flood damage.

Following extensive negotiations, we have reached a tentative settlement of The Travelers Casualty Insurance Company subrogation claim against the City in the amount of \$47,500.00. This proposed settlement has been discussed with the Public Works Department and they are in agreement with the terms. We believe that the settlement is in the best interests of the City and recommend approval by this Committee.

TJM / 12-14461